

## **Summary of Consumer Assistance Program-Employee Misclassification Report (Act 85, 2020)**

### **Overview**

In line with the requirements of Act 85 from 2020, the Office of the Attorney General has submitted the results of its coordinated efforts with the Vermont Department of Labor (VDOL) to investigate employers who may have misclassified employees and did not pay contributions to the State Workers' Compensation Administration Fund or the Unemployment Insurance Trust Fund.

### **Investigations**

The Workers Compensation Division investigated 23 complaints of businesses operating without proper insurance coverage and issued 17 citations which amounted to \$291,800 in penalties. The Unemployment Insurance (UI) Division conducted audits and found 90 cases of misclassification with 721 misclassified workers amounting to \$51,822.88 of unpaid contributions. The Attorney General's Office investigated 5 employers who did not comply with VDOL's investigation and obtained records from three of these employers revealing that approximately \$30,000 in past due contributions and penalties is owed. The remaining two employers did not cooperate with the Attorney General's investigation, resulting in \$2,500 in civil penalties for each case and investigations still pending.

### **Future Actions**

The Attorney General's Office and VDOL will continue to work together in these investigations to ensure continued support for the State Workers' Compensation Administration Fund and UI Trust Fund. VDOL and the Attorney General's Office will submit a joint report regarding enforcement activities and proposed recommendations on or before January 15, 2024.

### **Report of Reference**

Vermont Office of the Attorney General, "Consumer Assistance Program - Employee Misclassification Report," Vermont Office of the Attorney General (2023),

<https://legislature.vermont.gov/Documents/2024/WorkGroups/House%20Commerce/Reports%20and%20Resources/W~Office%20of%20the%20Attorney%20General~Consumer%20Assistance%20Program%20-%20Employee%20Misclassification%20Report~1-18-2023.pdf>